LNF & IHCIF Calculations Illustration

- Elko/Ely SU in Phoenix area -

Given Data

- 2,733 = 1998 user count
- $2,980 = National average cost per person (not including wrap-around costs)
- 43% = % Expenditures on purchased services, 57% = % expenditures in-house
- 97.9% = Cost index for purchasing health care in this geographic area
- 121.3% = Size cost index for in-house costs due to small or large size
- 100.9% = Phoenix area cost index for health status above or below average

Cost Adjustment Calculations

- $1,254 per person for purchased services = 43% * 97.9% * $2,980
- $2,061 per person for in-house services = 57% * 121.3% * $2,980
- $3,315 per person total = $1,254 (purchase) + $2,061 (in-house)
- **$3,346 per person total** adjusted for health status = $3,315 * 100.9%
- **$2,601 per person net cost** = $3,346 - $745 Other resources (M&M&PI)

Existing Expenditures (for 2,733 users excluding wrap-around and collections)

- $1,844 per person = local IHS allowance (excludes $ for wrap-around)
- $226 per person = expenditures elsewhere in Phoenix area on behalf of area users
- $54 per person = expenditures elsewhere in IHS on behalf of IHS users
- **$2,124 per person for OU users** = $1,844 + $226 + $54

LNF Calculation

- **63.5% Gross LNF** = $2,124 (expenditures) / $3,346 total cost (ignoring Medicare, Medicaid, PI spending on behalf of OU users)
- **81.7% Net LNF** = $2,124 / $2,601 net cost ($3,346 - $745 other)

IHCIF Allocation

- $0 = $ to raise LNF% from 81.7% to 60%
- $258,040,100 = aggregate $ to raise all locations to 60%
- 3.488% IHCIF fraction = $9,000,000 fund / $258,040,100 needed
- **$0 Allocation** = $0 needed for 60% * 3.488% IHCIF fraction

Elko/Ely SU Unmet Needs

- **$7,108,638 Net Total Need** = 2,733 users * $2,601 net cost
- **$1,303,214 Net Unmet Need** = (100% - 81.7% LNF) * 2,733 users * $2,601 net cost